

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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SEP 27 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
Petition of WorldCom, Inc. Pursuant)
to Section 252(e)(5) of the)
Communications Act for Expedited)
Preemption of the Jurisdiction of the)
Virginia State Corporation Commission)
Regarding Interconnection Disputes)
with Verizon Virginia Inc., and for)
Expedited Arbitration)

CC Docket No. 00-218

In the Matter of)
Petition of Cox Virginia Telecom, Inc.)
Pursuant to Section 252(e)(5) of the)
Communications Act for Preemption)
of the Jurisdiction of the Virginia State)
Corporation Commission Regarding)
Interconnection Disputes with Verizon)
Virginia Inc. and for Arbitration)

CC Docket No. 00-249

In the Matter of)
Petition of AT&T Communications of)
Virginia Inc., Pursuant to Section 252(e)(5))
of the Communications Act for Preemption)
of the Jurisdiction of the Virginia)
Corporation Commission Regarding)
Interconnection Disputes With Verizon)
Virginia Inc.)

CC Docket No. 00-251

VERIZON VA'S REBUTTAL TESTIMONY ON NON-MEDIATION ISSUES
(CATEGORIES I AND III THROUGH VII)

BUSINESS PROCESS

MARYELLEN LANGSTINE

AUGUST 17, 2001

1 **I. ISSUE I-8: CUSTOMER PROPRIETARY NETWORK INFORMATION**

2 **Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH VERIZON AND**
3 **YOUR BUSINESS ADDRESS.**

4 A. My name is Maryellen Langstine. Since September 1, 2000, I have served as
5 Director Competitive Local Exchange Carrier ("CLEC") Customer Support. My
6 business address is 741 Zeckendorf Boulevard, Garden City, New York.

7
8 **Q. ARE YOU THE SAME WITNESSES WHO FILED DIRECT TESTIMONY**
9 **IN THIS CASE ON JULY 31, 2001?**

10 A. Yes.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. The purpose of my testimony is to address certain statements made or positions
14 taken by witnesses for AT&T, WorldCom and Cox on Issue I-8.

15
16 **Q. HAVE YOU READ THE TESTIMONY SUBMITTED BY WORLDCOM**
17 **AND COX REGARDING THIS ISSUE?**

18 A. Yes. I have read the direct testimony of Sherry Lichtenberg, on behalf of
19 WorldCom, and Francis R. Collins, on behalf of Cox.

1 **Q. DO YOU WISH TO RESPOND TO THAT DIRECT TESTIMONY ON**
2 **BEHALF OF VERIZON VA?**

3 A. Yes. Both Ms. Lichtenberg and Mr. Collins suggest that, because WorldCom and
4 Cox openly affirm their intent to honor the Commission's restrictions on
5 permissible CPNI use, Verizon VA's concerns here are specious. While Verizon
6 VA has no reason to doubt that abiding by applicable law is the intent of each
7 corporation, neither Cox, WorldCom nor any other CLEC can guarantee that they
8 will never employ any individual who will act contrary to that corporate intent.
9 Moreover, in spite of WorldCom's and Cox's reassurances, other CLECs may
10 adopt the provisions of their interconnection agreements, and experience has
11 shown that not all CLECs are as careful about honoring the Commission's
12 restrictions.

13
14 The fact remains that Verizon VA has a statutory duty to protect the CPNI
15 entrusted to it by its customers. Verizon VA also has an obligation to, and an
16 interest in, protecting the system integrity of its OSS. Verizon VA has offered
17 language that allows it to satisfy these concerns without any undue intrusion on
18 the rights of the CLECs.

19
20 **Q. DOES VERIZON VA MONITOR THE CONTENT OF INDIVIDUAL OSS**
21 **SEARCHES?**

22 A. No. Verizon VA monitors volume of use, not the content of any particular search.
23 Verizon VA does so for two reasons. First, excessive volumes of use may

1 indicate, for example, the improper use of robots and/or the unauthorized
2 “trolling” for CPNI in the hopes of gaining an unfair competitive advantage.
3 Second, Verizon VA monitors the volume of OSS use to ensure that Verizon VA
4 maintains the necessary systems capacity to accommodate the legitimate use of all
5 CLECs.

6

7 **Q. COX SUGGESTS THAT VERIZON VA WILL INTRUDE INTO ITS**
8 **INTERNAL SYSTEMS WHEN IT MONITORS CPNI USE. IS THAT**
9 **CORRECT?**

10 A. No. Verizon VA monitors the CLECs’ use of the Verizon VA OSS. Verizon VA
11 does nothing to intrude into a CLEC’s internal systems.

12

13 **Q. WHAT WOULD PROMPT VERIZON VA TO INITIATE MONITORING**
14 **OF A CLEC’S USE OF VERIZON VA’S OSS?**

15 A. Verizon VA has no specific policy or trigger. Rather, if Verizon VA were to
16 become aware of what appeared to be abnormal use of its OSS by a particular
17 CLEC, Verizon VA might monitor that CLEC’s use to determine if responsive
18 action or an investigation of some sort were warranted.

19

20 **Q. CAN YOU GIVE US AN EXAMPLE OF WHAT TYPE OF ABNORMAL**
21 **USE OF OSS MIGHT TRIGGER SUCH CONCERNS?**

22 A. Yes. Each individual user of Verizon VA’s Web GUI, the OSS end user
23 interface, is assigned a user identification. Verizon VA knows approximately

1 how many transactions, or “hits,” per minute a human can initiate. Thus, if
2 Verizon VA sees a user ID making tens of thousands of transactions in an 8 hour
3 period, it knows that a “robot” is responsible for the hits, not an individual human.
4 Because the Web GUI is an end user interface, not an application to application
5 interface, this kind of activity can effectively shut down the Web GUI for all other
6 end users.

7
8 **Q. HAS VERIZON VA EXPERIENCED THIS TYPE OF PROBLEM IN THE**
9 **PAST AND, IF SO, HOW DID IT RESPOND?**

10 **A.** Yes, Verizon VA has experienced this type problem before. The type of
11 electronic monitoring described above, however, allowed Verizon VA to identify
12 and confront promptly the offending CLEC, thereby preserving the availability of
13 the WEB GUI for all other end users.

14
15 **Q. DOES VERIZON VA HAVE A POLICY REGARDING WEB GUI USE?**

16 **A.** Yes. That policy is attached as Exhibit BP-1. It explains clearly the limitations of
17 the WEB GUI as well as Verizon VA’s commitment to enforce reasonable rules
18 that inure to the benefit of all end users.

1 **Q. WORLDCOM SUGGESTS THAT, SINCE IT OBTAINS CUSTOMER**
2 **AUTHORIZATION BEFORE ACCESSING CPNI, NO MONITORING IS**
3 **NECESSARY. DOES VERIZON VA AGREE?**

4 A. No. As explained above, Verizon VA appreciates, and accepts in good faith,
5 WorldCom's corporate assurance that it will secure customer approval before
6 accessing CPNI through Verizon VA's Customer Service Records. Nonetheless,
7 Verizon VA is faced with the very real possibility that not everyone who accesses
8 its OSS will be so honorable. As WorldCom points out, "Verizon and WorldCom
9 are fierce competitors." Thus, the incentive to access CPNI to gain a competitive
10 advantage is strong and Verizon VA must take appropriate steps to minimize that
11 risk. Moreover, as noted above, other CLECs may adopt the terms and conditions
12 of WorldCom's interconnection agreement, and Verizon VA must be prepared for
13 that possibility.

14
15 **Q. WORLDCOM SUGGESTS THAT ALLOWING VERIZON VA TO**
16 **MONITOR ITS USE OF THE VERIZON VA OSS POSES "SERIOUS**
17 **RISKS" TO WORLDCOM. CAN YOU ADDRESS THAT CONCERN?**

18 A. Yes. WorldCom's concerns are misplaced. As noted above, Verizon VA only
19 monitors the volume of use, not the content of searches. Verizon VA's
20 monitoring efforts are only triggered by abnormal volumes of use that might
21 suggest the improper accessing of CPNI. Verizon VA does not "troll" its OSS to
22 see which customers are being contacted by which CLECs, and does not seek the
23 right to do so.

1 **Q. WORLDCOM SUGGESTS THAT VERIZON VA CAN SATISFY ITS**
2 **OBLIGATIONS AND CONCERNS BY AUDITING THE CLECS' ACCESS**
3 **OF CUSTOMER RECORDS? DO YOU AGREE?**

4 A. No. According to the language agreed to by the Parties, the frequency and timing
5 of audits are restricted. Thus, audits do not begin to provide the same sort of real-
6 time protection against CPNI misuse that monitoring provides

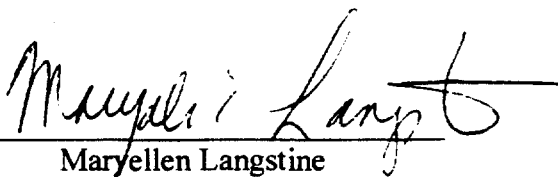
7
8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes.

Declaration of Maryellen Langstine

I declare under penalty of perjury that I have reviewed the foregoing testimony and confirmed that it is true and correct.

Executed this 17th day of August, 2001.



Maryellen Langstine

IMPROVEMENTS TO WEB GUI PERFORMANCE

BACKGROUND

Our Web GUI interface was developed and is offered to allow CLEC representative opportunity to electronically interact with Verizon without incurring the expenses associated with high throughput, fully automated, "app-to-app" systems. This interface was engineered for direct use by humans to conduct business with Verizon in an "on-line" fashion. However, some CLECs are using the Web GUI in a manner which is neither intended nor supported and the impact on other CLECs, and Verizon, has been significant, and occasionally severe. This notice describes the steps that Verizon is taking to remedy the situation.

Throughout the year 2000, we have discussed, at several Change Control meeting efforts Verizon has undertaken to continually improve Web GUI performance. In May 2000, our customers experienced problems in accessing the Web GUI via the Internet. Verizon identified and corrected problems in the Web GUI computer platform and the supporting infrastructure. Verizon also added load balancers, to help distribute the Web GUI transactions across four servers, a change that resulted in enhanced performance and an overall improvement in systems availability. In June 2000, Verizon upgraded the GUI software and allocated yet additional resources to the Web GUI platforms and towards the end of June 2000, Verizon installed new high capacity servers. As a result of these enhancements and upgrades, the number of trouble tickets associated with GUI performance decreased significantly. However, while the hardware and software enhancements described above have contributed significantly to the improvement in Web GUI performance, Verizon, in working with industry, continues to research and identify opportunities to improve Web GUI performance.

The amount of transactions handled by the Web GUI grows on a daily basis. In April 2000, the Web GUI broke the 100,000-transactions/day record. In one day alone, 22,000 new service orders were processed. Verizon intends to implement three performance improvements to further improve Web GUI performance and availability:

- delete old data from the system,
- better manage search functions, and
- enforce the policy on user IDs and robot programs.

DELETION OF COMPLETED ORDERS

In an effort to further decrease Web GUI response times and to increase the system integrity of the Web GUI interface, Verizon will implement a series of process improvements to "clean up" the Web GUI database. There are currently approximately 4 million requests in the GUI database, two million of these requests are related to orders from 1999. In 1999, when Verizon upgraded the Web GUI from Phase II to Phase III, Verizon converted all of the data used by the Phase II release of the Web GUI to a form usable with the Phase III Web GUI. Currently, there are more than 408,000 migrated Phase II Service Orders remaining in the Web GUI, from 116 companies. This historical data

accounting for one out of every 6 orders in the Web GUI database today, does not represent current or even near term transactions.

Memory capacity and availability in any database or computer system can affect response time and in the case of the Web GUI, the old, outdated transactions described above are quite literally clogging the system. It is common practice in the IT industry to regularly purge data no longer in use so that the storage is available for current transactions.

As discussed at the Verizon Change Control meetings, and as further described below, Verizon will begin deleting old completed and inactive orders from the Web GUI. However, customers will be given the opportunity to archive this data on their own systems, using whatever archive method suits their own purposes.

In particular, all data that meets the following criteria will be deleted:

- Service orders migrated from the Web GUI, Phase II;
- Service orders that are in "error" status (Standard Error Message, Error Message, or System Error) and have been in error status for the last 90 days;
- Service Orders that have received both a CMP or BCN and a PCN over 90 days;
- Service Orders with the last status of "Waiting for Acknowledgment" or "Acknowledgement" with no other status changes for the last 90 days.

Customers will be provided, via Change Control notification, a spreadsheet listing PON and negotiator information of the data to be deleted for their respective companies. The spreadsheets will be distributed the week of November 6, 2000. As previously stated, during the week of November 19, 2000, the data will be automatically deleted. Going forward, Verizon will regularly purge outdated orders meeting the criteria listed above and are over 90 days old from the Web GUI. This deletion will occur on a quarterly basis, and Verizon will provide customers with PON and negotiator information via Change Control notification.

SEARCH CRITERIA

Verizon also plans to revise the rules for using the search functions provided by the Web GUI in order to improve response time. We have discovered that certain customers are "searching" for information on the Web GUI with no search criteria and are adversely affecting the availability of the Web GUI for all users. While not a common practice for most of our customers, Verizon has documented instances where users submitting 14,000 searches in one day, have seriously affected the response time and performance of the Web GUI. The Web GUI is a shared resource - inappropriate use of the Web GUI by one user can affect the availability of the Web GUI for all users.

Most of our customers are entering at least one of the four basic criteria in their Web GUI searches. However, without even entering one basic search element, a user forces the Web GUI systems to "search" for and produce every record associated with that company which could be more than 500,000 records. In effect, one inconsiderate user can tie up the Web GUI to the point where all other users have limited or no access to the system.

Beginning November 19, 2000, all users will be required to input at least one of the following four fields:

- Purchase Order Number
- Date Submitted
- Date Due
- Negotiator Name

The vast majority of Verizon customers will not be affected by this change, because they are currently entering search criteria. This change will enable the Web GUI to respond more quickly to search requests. If the user does not input at least one of these required fields, the following error message will be returned: "The following errors have been found with your request: [Purchase Order Number/Date Submitted/Date Due/Negotiator Name] is required to have data."

VERIZON POLICY ON USER IDS AND COMPUTER SIMULATED USE

As discussed above, the Web GUI is designed to be a system in which a human service representative submits transactions, usually one at a time, to the Web GUI. The Web GUI is not designed to accept high volume batched transactions that have been accumulated in a computer or that are being automatically generated by a computer. Such high volumes of transactions can use up the capacity of the Web GUI system and result in its becoming unavailable for use by other customers. If a CLEC puts a computer-simulated user (otherwise known as a "robot") on the other side of this interface, continuously and automatically submitting thousands of transactions, the Web GUI system capacity will be adversely impacted and system performance will be degraded for all other customers. This practice is not unlike the automatic dialing machines that telemarketers use to reach out and touch huge numbers of individuals, sometimes blindly ringing every line in the house as they cycle through their program. Verizon has documented instances where in a single 24-hour one-minute period, the Web GUI received over 19,000 transactions from one user ID. While Verizon has repeatedly informed the offenders that this abuse of the Web GUI will not be tolerated, some continue to use the Web GUI in an inappropriate manner.

As is clearly stated in Verizon's Local Services Common Web GUI User Guide, version 1.0, Section 1, Page 15:

"The Verizon Web GUI is intended as a user interface, and is not to be used as an application to application system. Verizon does not support the design of CLEC/Reseller application to application systems, which interact with Verizon provided End User Interfaces (i.e., the Web GUI). The limitations imposed by a system interface with Verizon's Web GUI conflict with the purpose of the Web GUI and consequently hinder the CLEC/Reseller."

Verizon's interconnection and resale contracts clearly state the obligations of its customers for access to and use of Verizon's OSS facilities, including but not limited to:

Verizon's practices and procedures with regard to security and the use of access and identification codes. Additionally, customers contractually obligate themselves to reasonably cooperate with Verizon in submitting orders for Verizon Telecommunications Services and otherwise using the Verizon OSS Services, in order to avoid exceeding capacity or capabilities of Verizon OSS Services.

Effective **immediately**, Verizon will enforce its published practices and procedures in terms of its customer interconnection and resale agreements. If, at any time, a customer is suspected of using its User IDs or computer equipment in a manner that subjects the Web GUI to volumes of the types of transactions that exceed the capacity of the Web GUI or deprives other customers from accessing the Web GUI, Verizon will immediately disable the offending user IDs.

In addition to the efforts described above, Verizon will schedule a Web GUI Workshop. The Workshop will focus on an overview of how the Web GUI works and search techniques. Information on the specifics of the workshop will be distributed via Customer Control notification in January 2001.

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**VERIZON VA'S REBUTTAL TESTIMONY ON NON-MEDIATION
ISSUES**

(CATEGORIES I AND III THROUGH VII)

PRICING TERMS AND CONDITIONS

- MICHAEL A. DALY
- DONNA FINNEGAN
- STEVEN J. PITTERLE

AUGUST 17, 2001

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I. INTRODUCTION AND OVERVIEW

Q. ARE YOU THE SAME PANEL THAT OFFERED DIRECT TESTIMONY ON THE NON-MEDIATION PRICING TERMS AND CONDITIONS ISSUES?

A. Yes. The education and background of the Pricing Terms and Conditions Panel were described in the Direct Testimony on non-mediation issues.

Q. WHAT IS THE PURPOSE OF THE PANEL'S REBUTTAL TESTIMONY ON NON-MEDIATION ISSUES IN THIS PROCEEDING?

A. The purpose of this testimony is to respond to the testimony of AT&T witness Kirchberger, WorldCom witness Argenbright, and Cox witness Collins regarding prices for Petitioners' services (Issue I-9). The Panel provides no rebuttal testimony regarding Issues VII-12 and VII-14 because our direct testimony anticipated the arguments in the testimony of AT&T witness Kirchberger on these issues, which involve the extent to which the parties' interconnection agreement should address detailed industry billing information rather than refer to the appropriate industry billing forum. The Panel refers to and incorporates its Direct Testimony on these non-mediation issues.

1 **II. CLEC COMMITMENT TO JUST AND REASONABLE RATES (ISSUE I-9)**

2 **Q. ARE AT&T WITNESS KIRCHBERGER (PAGES 3-4) AND WORLDCOM**
3 **WITNESS ARGENBRIGHT (PAGE 4) CORRECT IN SUGGESTING**
4 **THAT A “MARKET MECHANISM” OR “MARKET FORCES” WILL**
5 **ENSURE THAT AT&T’S OR WORLDCOM’S RATES FOR TRANSPORT**
6 **AND POWER AND SPACE ARE REASONABLE?**

7 A. No. AT&T witness Kirchberger, pages 3-4, correctly observes that the exercise
8 of regulatory authority is appropriate in absence of a “market mechanism” that
9 will ensure reasonable rates. AT&T witness Kirchberger, however, is just wrong
10 in asserting that AT&T does not “wield . . . market power” with respect to access
11 to its own network. Verizon VA is required to interconnect with AT&T, and in
12 order to do so Verizon VA must either purchase transport facilities from AT&T
13 or, if Verizon VA builds its own facilities, obtain the right to terminate those
14 facilities at AT&T’s premises. AT&T and the other Petitioners are thus in
15 complete control over access to their respective networks. Thus, contrary to the
16 arguments of AT&T witness Kirchberger, there is a need for a reasonable
17 limitation on AT&T’s pricing flexibility with respect to transport rates and power
18 and space because the “market” will not serve that function. Despite his
19 arguments regarding market forces eliminating the need for any constraint on
20 AT&T’s pricing, AT&T Kirchberger identifies no effective alternative source of
21 access to its network.

22
23 Moreover, in identifying the “factors” that WorldCom considers “when proposing
24 rates for inclusion in the tariff,” WorldCom witness Argenbright does not identify

1 any factor that would account for market forces. This supports Verizon VA's
2 argument: there are no such effective market forces with respect to transport and
3 power and space. Like AT&T witness Kirchberger, WorldCom witness
4 Argenbright fails to identify any effective alternative source of access to its
5 network.

6
7 Finally, it is my understanding that the New York Public Service Commission
8 recently rejected the "market forces" argument as a basis for AT&T's opposition
9 to essentially the same contractual provision at issue in this case establishing a
10 presumption that it should not charge rates greater than the rates Verizon VA
11 charges AT&T. *See Joint Petition of AT&T Communications of New York, Inc.,*
12 *TCG New York Inc. and ACC Telecom Corp. Pursuant to Section 252(b) of the*
13 *Telecommunications Act of 1996 for Arbitration to Establish an Interconnection*
14 *Agreement with Verizon New York Inc., N.Y. P.S.C. Case 01-C-0095 (July 30,*
15 *2001) at 86.*

16
17 **Q. IS AT&T'S POSITION IN THIS ARBITRATION ON THIS ISSUE**
18 **CONSISTENT WITH ITS COMPLAINT THAT, FOR PURPOSES OF**
19 **ACCESS CHARGES, CLECS WIELD MONOPOLY POWER OVER**
20 **ACCESS TO THEIR END USERS?**

21 **A.** It is not consistent. In fact, Verizon VA needs the contract language it proposes
22 in this arbitration for the very same reason that AT&T sought relief with respect
23 to CLEC access charges. As noted by the Commission in its *Seventh Report and*

1 *Order and Further Notice of Proposed Rulemaking*, CC Docket No. 96-262 (Rel.
2 April 27, 2001) (“*Seventh Report*”), at Paragraph 36, AT&T characterized “both
3 the terminating and the originating access markets as consisting of a series of
4 bottleneck monopolies over access to each individual end user.” Just as AT&T
5 argued in that context, in this context, “once an end user decides to take service
6 from [AT&T, AT&T] controls an essential component of the system that provides
7 [local] calls, and it becomes the bottleneck for [other LECs] wishing to complete
8 calls to, or carry calls from, that end user.” *Seventh Report* at Paragraph 36.

9
10 In this context, Verizon VA’s need for the contract language it proposes is even
11 greater than AT&T’s need for relief from CLEC access charges. As observed by
12 the Commission in its *Seventh Report*, at Paragraph 24, AT&T “frequently
13 declined altogether to pay CLEC access invoices that its views as unreasonable,”
14 and “threatened to stop delivering traffic to, or accepting it from, certain CLECs
15 that they view as over-priced.” Verizon VA does not have the option of
16 exercising such a bargaining tool. Because Verizon VA is “subject to the
17 monopoly power that [AT&T] wield[s] over access to [its] end-users,” and just as
18 AT&T argued in the context of CLEC access rates, this Commission should
19 “acknowledge that the market for [access to AT&T’s network] does not appear to
20 be *structured* in a manner that allows competition to discipline rates.” *Seventh*
21 *Report*, at Paragraph 32, 38.

1 **Q. DOES VERIZON VA PROPOSE CONTRACT LANGUAGE THAT**
2 **“DICTATES” PETITIONERS’ CHARGES FOR SERVICES, FUNCTIONS**
3 **AND FACILITIES PROVIDED TO VERIZON VA, AS AT&T WITNESS**
4 **KIRCHBERGER SUGGESTS?**

5 A. No. As explained in this Panel’s Direct Testimony, Verizon VA proposes only
6 that the rates charged for transport and power and space not exceed the rates that
7 Verizon VA charges for the same services unless the Petitioners can justify higher
8 rates. Under Verizon VA’s proposed contract language, Petitioners can charge
9 higher rates if Petitioners prove, in an appropriate proceeding, that their costs are
10 higher, and that their rates therefore should be greater than the rates that Verizon
11 VA charges for the same services. Verizon VA’s proposed contract language
12 accomplishes what AT&T witness Kirchberger suggests is reasonable: regulatory
13 review in absence of a market mechanisms that will ensure reasonable rates.

14

15 **Q. WORLDCOM WITNESS ARGENBRIGHT (PAGE 4) IDENTIFIES TWO**
16 **“EXTERNAL CONTROLS” ON PETITIONERS’ RATES: (1) VIRGINIA**
17 **LAW AND (2) MARKET FORCES. DOES THIS ADDRESS VERIZON**
18 **VA’S CONCERN?**

19 A.. No. With respect WorldCom witness Argenbright’s discussion of Virginia law,
20 this Panel defers to argument and briefs provided by its counsel.
21 Notwithstanding, Verizon VA’s proposal is not inconsistent with the regulatory
22 review process discussed by WorldCom witness Argenbright. This Panel has

1 already discussed the lack of market forces and the Petitioners' failure to identify
2 any effective market forces.

3
4 **Q. DO YOU AGREE WITH PETITIONERS CLAIM THAT THEIR COST**
5 **STRUCTURES MAY BE DIFFERENT THAN VERIZON VA'S?**

6 A. The Petitioners' cost structures may very well differ from those of Verizon VA.
7 However, Petitioners' struggle to characterize Verizon VA as an inefficient
8 [former] monopoly with costs that are artificially inflated cannot be reconciled
9 with their attempt to justify why their costs reasonably should be expected to be
10 higher than those of Verizon VA.

11
12 **Q. WHY DOES VERIZON VA NEED CONTRACTUAL LANGUAGE TO**
13 **ENSURE THAT PETITIONERS' RATES ARE JUST AND REASONABLE**
14 **WHEN VERIZON VA IS FREE TO CHALLENGE PETITIONERS'**
15 **TARIFF FILINGS AS SUGGESTED BY COX WITNESS COLLINS**
16 **(PAGE 32)?**

17 A. Although the Panel defers to argument and briefs provided by its counsel on an
18 interpretation of applicable law, the Panel's general understanding is that existing
19 law requires Petitioners' rates to be reasonable, but provides no specific standard
20 by which to judge the reasonableness of Petitioners' rates. All Verizon VA is
21 proposing is just such a reasonable standard – costs. Indeed, the only reason
22 Petitioners could object to this standard is that they desire to charge more than
23 their costs. There is no basis for them to do so, particularly because Verizon VA

1 has no choice but to obtain some services from Petitioners in order to interconnect
2 with them, as Verizon VA is required by law to do. It is therefore reasonable that
3 the parties' interconnection agreement contain some standard by which to
4 measure the reasonableness of the Petitioners' rates, given the absence of
5 effective market forces to govern the rates Verizon VA must pay Petitioners for
6 transport and power and space.

7
8 Verizon VA's proposal is consistent with the solution the Commission reached in
9 the context of its *Seventh Report* in attempting to address similar concerns in the
10 context of CLEC access charges. That is, Verizon VA proposes a mechanism that
11 presumptively ties AT&T's rates to those of Verizon VA for comparable services.

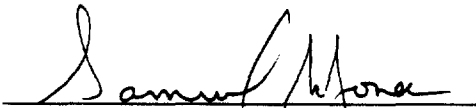
12
13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes, it does.

Declaration of Steven J. Pitterle

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 17th day of August, 2001.

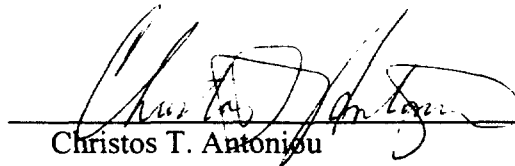


Samuel M. Jones
On behalf of
Steven J. Pitterle

Declaration of Christos T. Antoniou

I declare under penalty of perjury that I have reviewed the foregoing testimony and confirmed that it is true and correct.

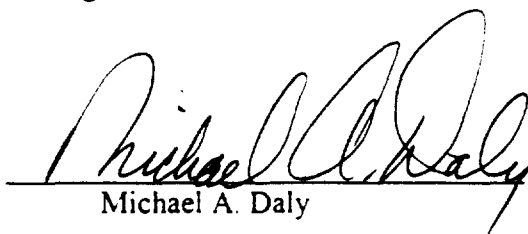
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Christos T. Antoniou

Declaration of Michael A. Daly

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

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Michael A. Daly